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SUBJECT: AFTER SUMMER RESHUFFLE, NEW GCOB INITIATIVES AS
ECONOMY WORSENS

REF: A. NASSAU 623

[1](#)B. NASSAU 723

[1](#)C. NASSAU 71

[1](#)D. NASSAU 69

[1](#)E. NASSAU 711

[1](#)F. 07 NASSAU 610

[1](#)G. NASSAU 760

Classified By: DCM Zuniga-Brown for reasons 1.4 (b) and (d).

[1](#)1. (C) SUMMARY: Prime Minister Ingraham consolidated his government after a cabinet reshuffle in July and launched several new initiatives in the first hundred days since. The new Ministry of Environment has energetically pushed renewable energy options, while the new Minister of Tourism has unveiled a revamped strategic plan. The Ministry of Education adopted an Embassy-sponsored reading program for children and expanded it throughout the country, working closely with EmbOffs. New appointments, and an effective ban on wooden-hulled sailing sloops, may signal a new direction in immigration policy as well. The worsening economy is likely to dominate the agenda going forward as the first tourist season after the U.S. financial crisis unfolds. END COMMENT.

TWO NEW FACES, ONE SURPRISE RESIGNATION

[1](#)2. (C) Prime Minister Hubert Ingraham announced the details of an anticipated reshuffle of his government on June 30, slightly more than a year after naming his first cabinet following the Free National Movement's (FNM's) election victory in May 2007. In the only personnel surprise, the Minister of Lands and Local Government, Sidney Collie, resigned his post after a ministerial misstep led to a court-ordered stoppage of scheduled local elections in several municipalities. Prime Minister Ingraham left the door open for a future return to Cabinet. COMMENT: This turn of events compared very favorably with the previous Progressive Liberal Party (PLP) government's tepid reaction to a series of internal scandals on its watch, and vindicated Ingraham's campaign promise of "trust" and accountability in government. END COMMENT.

[1](#)3. (C) Vincent Vanderpool-Wallace, an experienced and well-regarded manager and tourism official, joined the government as the new Minister of Tourism and Aviation, replacing Neko Grant, who remained in the cabinet as Minister of Public Works and Transport. Michael Barnett, lawyer and unsuccessful FNM candidate for parliament in 2007, was appointed Attorney General, replacing Senator Claire Hepburn, who was appointed to the Supreme Court bench in line with her known wishes. Former Minister of State for Immigration, Senator Elma Campbell, was named first resident Ambassador to China, and her portfolio was assumed by Branville McCartney, formerly Minister of State in charge of aviation in the Ministry of Tourism and Aviation. The former incumbent in the Ministry of Public Works, Earl Deveaux, took over the newly-created Ministry of Environment.

SLIGHT CABINET STREAMLINING, CENTRALIZATION

[1](#)4. (C) Structurally, only one new ministry was added (Environment, which also took over Maritime Affairs), but a second was spun off from an existing ministry (Youth, Sports, and Culture from Education), and another folded into the Prime Minister's office (Lands and Local Government). The net effect of these changes was to increase the number of ministries by one, from eleven to twelve, and reduce the number of ministers by one, from 19 to 18. The Prime Minister's twelve senior ministers are now assisted by six junior ministers comprising the cabinet. Of the three departing ministers, two were women leaving only one female cabinet member.

[1](#)5. (C) Several portfolios covered by junior ministers were reassigned. In addition to the finance portfolio, Prime Minister Ingraham's office took control of the Lands and Local Government portfolio, assigned to (junior) Minister of State Byran Woodside, formerly Minister of State for Youth and Sports. Deputy Prime Minister and Minister of Foreign Affairs Symonette took charge of the sensitive immigration portfolio, now under Minister of State Branville McCartney, formerly under National Security. The Ministry of Labor and Social Development (formerly: Maritime Affairs and Labor) took over the social issues portfolio from the Ministry of

Health (formerly: Ministry of Health and Social Development), which remained as a stand-alone. The changes are reflected, though incomplete, on the GCOB,s web site: <http://bahamas.gov.bs> .

----- NEW DIRECTIONS IN ENERGY, TOURISM, EDUCATION -----

16. (C) Acting on the Prime Minister's orders, the new Ministry of Environment has assumed a much higher public profile on renewable energy since the end of the summer lull. Following the July alternative energy events in Nassau (ref A), the ministry has continued working with the Embassy to concentrate attention on energy alternatives. Rising gas and electricity costs have hit consumers hard, causing the GCOB to step in to keep the lights on for thousands of ordinary consumers who were falling behind in paying their bills to the electricity monopoly. The economic hardship, along with an increasing public consciousness of the un-sustainability of current approaches to energy consumption and the environment, both on the island and throughout the archipelago, appear to have combined to galvanize GCOB action.

17. (C) Another notable policy move three months after the government reshuffle is the Ministry of Tourism's strategic plan to revamp the Bahamian tourist product (ref B). Minister

Vanderpool-Wallace announced the new tourism strategy, amidst declining visitor arrivals and a generally softening economy, October 8 after cancelling an anticipated media appearance the previous week due to the financial crisis on Wall Street.

The new Attorney General announced an audit of the huge criminal case backlog upon taking office in July. This, like a plea-bargaining bill introduced into parliamentary procedure before his predecessor's departure, is consistent with the GCOB's attempts to grapple with rising crime and a dysfunctional criminal justice system (ref C).

18. (C) At the start of the new academic year, the Ministry of Education adopted an Embassy-sponsored reading program for primary school children. Embassy volunteers, including the Ambassador and senior staff, sometimes joined by high-profile Bahamians, have regularly visited classrooms in an elementary school in a deprived section of Nassau for the past several years. The Ministry of Education, working closely with the Embassy and U.S. NGOs, has now expanded the program throughout New Providence, Grand Bahama, and several other islands. The program was initiated by the previous Ambassador and spearheaded for the last year by Ambassador Siegel. It seeks to involve government and community representatives in a consistent effort to mentor young children and improve their reading skills and has paid enormous public diplomacy dividends for Post.

----- BIGGEST SHAKE-UP IN CIVIL SERVICE, IMMIGRATION -----

19. (C) In terms of the effects on day-to-day operations, perhaps more significant than changes at the top were the reassignments of 16 permanent secretaries (PS) - the top civil servants in each ministry. The new PS in the MFA, for example, appeared highly engaged on the newly-assigned immigration issue at initial meetings with the Embassy in August, at least initially giving short shrift to international concerns. With the appointment of a young, energetic Minister of Immigration, the reported retirement and reassignment of the veteran director of immigration as ambassador to Cuba (ref D), and the appointment of the former immigration minister as ambassador to China, a change in immigration policy may be in the offing. The effective ban on wooden-hulled sailing sloops instituted in August indicates that any new direction will include vigorous enforcement, possibly coupled with tough action against employers of illegals and internal corruption. Repatriations of interdicted migrants to Haiti resumed in mid-October after a short-lived suspension (ref E).

----- BIOGRAPHICAL NOTES -----

10. (C) Vincent Vanderpool-Wallace, Minister of Tourism)-
--Secretary General of the Caribbean Tourism Organization in Barbados (2005-8), the first Bahamian appointed to the prestigious post;
--Director General in the Ministry of Tourism under previous FNM governments (1993-2005), the youngest person ever to hold the position;
--Served as Chairman of the National Tourism Advisory Board, Director of the Central Bank of The Bahamas, and Director of The Bahamas Chamber of Commerce;
--Worked in the private sector (Resorts International Bahamas Ltd., previous operator of the Paradise Island resort and precursor of Atlantis, 1982-93), rising to the position of Senior Vice President;
--Served in the education and tourism ministries (1975-82);
--Born in Nassau, he was educated at Harvard University and the University of Miami (MBA, 1981).

Michael Barnett, Attorney General and Minister of Legal Affairs --

--Lawyer, called to the Bahamian and English bar in 1978, partner in the law firm of Graham, Thompson, and Co.;
--Former Acting Magistrate, Acting Judge of the Supreme Court, President of The Bahamas Bar Association, Chairman of the Industrial Relations Board, and Chairman of the Water and Sewerage Corporation;
--Past Chairman of the Catholic Board of Education;

--FNM candidate in the Fort Charlotte (Nassau) constituency in the May 2007 elections defeated by PLP incumbent Alfred Sears;

--His wife, Camille Barnett, is President of the AIDS Foundation of The Bahamas;

--Born in Nassau, he was educated at Georgetown University and Lincoln's Inn Law School, London.

COMMENT

11. (C) The reassignment of so many senior civil servants along with the cabinet reshuffle may indicate that the Ingraham administration is completing its "hostile takeover" of the recalcitrant bureaucracy left over from the previous government (ref F). The greater concentration of portfolios in the hands of the Prime Minister and Deputy Prime Minister also indicates a firmer grip on the reins. High-profile new government initiatives, on sustainable energy, tourism, and education, continue to reflect the key importance of the GCOB's relationship with the U.S. They also come in the face of painfully high energy prices for consumers and a rapidly softening tourism economy, leading to increasing insecurity about jobs. Visitor arrivals have declined even more steeply than usual in the traditional off-season, according to newspaper reports and anecdotal evidence, leaving premier Bahamian tourist destinations nearly empty and hotels struggling to fill rooms. The fractious opposition lacks a coherent social program or a response to the current, unfavorable economic trends (ref G). Nevertheless, the economy is likely to dominate the agenda in the next few weeks and months as the first tourist season after the U.S. financial crisis remains poor.

SIEGEL